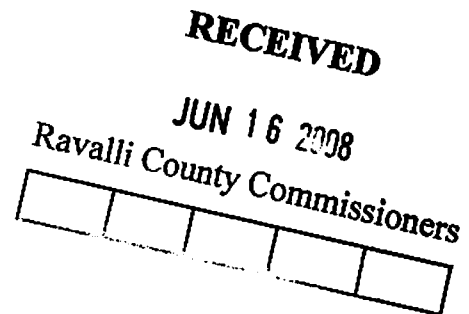




THE SECRETARY OF THE INTERIOR
WASHINGTON

June 11, 2008

Ravalli County
County Commissioners
Courthouse - Box 5001
Hamilton, MT 59840



Dear County Commissioner:

I am pleased to notify you that on or about June 12, 2008, the Department of the Interior will issue a payment to your county for Fiscal Year 2008 under the Payments in Lieu of Taxes (PILT) Program. Nationwide, the Department will pay \$228.5 million to compensate approximately 1,850 units of local government.

PILT payments help communities like yours to fund important services, including emergency response, public schools, and roads. The PILT program supports productive relationships with local communities and is a very important component of our partnership approach.

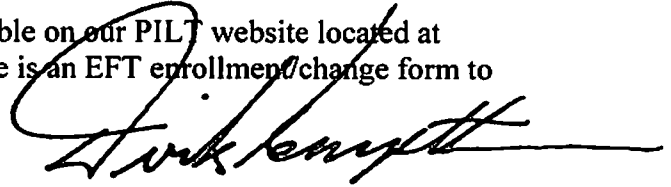
The payments are authorized by the Payments in Lieu of Taxes Act, 31 U.S.C. 6901-6907, as amended. Fluctuations in county PILT payments occur from year to year as a result of changes in the amount appropriated, the level of prior year revenue payments made to counties that are deducted to compute the PILT payment, and the amount that a county receives under Sections 6904 and 6905 of the PILT Act. Sections 6904 and 6905 provide additional payments to counties for lands added to the National Park System and the National Forest Wilderness areas.

Payment amounts also change on an annual basis as a result of inflationary adjustments. The PILT statute requires that the variables used to compute each county's payment, such as per acre and population amounts, be adjusted for inflation annually in accordance with the Consumer Price Index and data supplied by the Bureau of Labor Statistics.

We understand the need for payments to be made in a timely manner, and for the seventh consecutive year, we are making payments in advance of the end of the counties' fiscal year, June 30.

For Fiscal Year 2008, your county is entitled to a PILT payment of \$1,453,875.00. If current bank routing and account numbers for your county have been provided to our National Business Center office, an electronic funds transfer (EFT) will post to your account on or about June 12, 2008. If this information has not been received, a check will be mailed to your county from the U.S. Treasury in San Francisco on June 12, 2008. Should you require further information, points of contact are provided in the list of Frequently Asked Questions (FAQs) that accompanies this letter.

Additional information about the PILT program is available on our PILT website located at <http://www.doi.gov/budget/pilt>. Also included on the site is an EFT enrollment/change form to expedite receipt of PILT payments in the future.

A handwritten signature in black ink, appearing to read "Dirk Kempthorne", with a long horizontal flourish extending to the right.

DIRK KEMPTHORNE

Enclosure

PAYMENTS IN LIEU OF TAXES [PILT] FREQUENTLY ASKED QUESTIONS [FAQs]

Question: How are PILT payments computed?

Answer: General information concerning the methods used to compute PILT payments can be found in the expanded FAQs section of the PILT website located at www.doi.gov/pilt . For more specific information concerning how a particular unit of local government's payment was computed please call Mr. Bill Howell, Office of the Secretary, Office of Budget, 202-208-3157 (Commercial or FTS). Persons who utilize a telecommunications device for the deaf (TDD) can call the Federal Information Relay Service at 1-800-877-8339, 24-hours a day, seven days a week, to contact Mr. Howell.

Question: The PILT Notification Letter stated the EFT payment due our county would be credited to our account several days ago. How can I find out where our payment was sent?

OR

Our county is not enrolled in EFT, and expected to receive our PILT check several days ago. Who can we talk to about this?

Answer: The phone number for the PILT Help Desk, at the National Business Center-Denver is 303-969-7722. The Help Desk can answer any inquiries concerning either EFT or check disbursement of PILT payments.

Question: To expedite receipt of our PILT payment in the future, our county would like to enroll in the EFT payment program. Where can we get a PILT Electronic Funds Transfer (EFT) Enrollment/Change form?

Answer:

- From the PILT Home Page at <http://www.doi.gov/pilt>, click on any line under the heading PILT Menu;
- Near the top of the screen, you'll see seven boxes, shaded in yellow. Click on the topic FAQ [Frequently Asked Questions];
- Click on Payment Method and ACH Enrollment Form, about ⅔ of the way down the list of subjects immediately under the yellow topic boxes.

The third paragraph of the ACH Enrollment Form also lists the phone and fax numbers where additional information and assistance is available.